



| Mandatory LEA 02 | | Discretionary Mandatory | |
|--|--|---|------------------------------|
| Type of engagement | Individual/ internal staff engagements | Collaborative engagements | Service provider engagements |
| Reason for Interaction | | Reason for Interaction | |
| <input checked="" type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input checked="" type="checkbox"/> To influence corporate practice or identify the need for a material or other issue <input type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input type="checkbox"/> To influence corporate practice or identify the need for a material or other issue <input type="checkbox"/> We do not engage in internal staff <input type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input type="checkbox"/> To influence corporate practice or identify the need for a material or other issue | | <input checked="" type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input checked="" type="checkbox"/> To influence corporate practice or identify the need for a material or other issue <input type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input type="checkbox"/> To influence corporate practice or identify the need for a material or other issue <input type="checkbox"/> We do not engage in collaborative engagements <input type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input type="checkbox"/> To influence corporate practice or identify the need for a material or other issue <input type="checkbox"/> We do not engage in service providers | |

RI TRANSPARENCY REPORT

2020

Merganser Capital Management, LLC

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2020 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

| Symbol | Status |
|--------|---|
| ✓ | The signatory has completed all mandatory parts of this indicator |
| ☑ | The signatory has completed some parts of this indicator |
| 🔒 | This indicator was not relevant for this signatory |
| - | The signatory did not complete any part of this indicator |
| Ⓜ | The signatory has flagged this indicator for internal review |

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

| Organisational Overview | | | | Principle | | | | | | General |
|-------------------------|--|--------|------------------------------|-----------|---|---|---|---|---|---------|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| OO TG | | 🔒 | n/a | | | | | | | |
| OO 01 | Signatory category and services | ✓ | Public | | | | | | | ✓ |
| OO 02 | Headquarters and operational countries | ✓ | Public | | | | | | | ✓ |
| OO 03 | Subsidiaries that are separate PRI signatories | ✓ | Public | | | | | | | ✓ |
| OO 04 | Reporting year and AUM | ✓ | Public | | | | | | | ✓ |
| OO 05 | Breakdown of AUM by asset class | ✓ | Asset mix disclosed in OO 06 | | | | | | | ✓ |
| OO 06 | How would you like to disclose your asset class mix | ✓ | Public | | | | | | | ✓ |
| OO 07 | Fixed income AUM breakdown | ✓ | Private | | | | | | | ✓ |
| OO 08 | Segregated mandates or pooled funds | 🔒 | n/a | | | | | | | ✓ |
| OO 09 | Breakdown of AUM by market | ✓ | Public | | | | | | | ✓ |
| OO 10 | Active ownership practices for listed assets | ✓ | Public | | | | | | | ✓ |
| OO 11 | ESG incorporation practices for all assets | ✓ | Public | | | | | | | ✓ |
| OO 12 | Modules and sections required to complete | ✓ | Public | | | | | | | ✓ |
| OO LE 01 | Breakdown of listed equity investments by passive and active strategies | 🔒 | n/a | | | | | | | ✓ |
| OO LE 02 | Reporting on strategies that are <10% of actively managed listed equities | 🔒 | n/a | | | | | | | ✓ |
| OO FI 01 | Breakdown of fixed income investments by passive and active strategies | ✓ | Public | | | | | | | ✓ |
| OO FI 02 | Reporting on strategies that are <10% of actively managed fixed income | 🔒 | n/a | | | | | | | ✓ |
| OO FI 03 | Fixed income breakdown by market and credit quality | ✓ | Public | | | | | | | ✓ |
| OO SAM 01 | Breakdown of externally managed investments by passive and active strategies | 🔒 | n/a | | | | | | | ✓ |
| OO PE 01 | Breakdown of private equity investments by strategy | 🔒 | n/a | | | | | | | ✓ |
| OO PE 02 | Typical level of ownership in private equity investments | 🔒 | n/a | | | | | | | ✓ |
| OO PR 01 | Breakdown of property investments | 🔒 | n/a | | | | | | | ✓ |
| OO PR 02 | Breakdown of property assets by management | 🔒 | n/a | | | | | | | ✓ |
| OO PR 03 | Largest property types | 🔒 | n/a | | | | | | | ✓ |
| OO INF 01 | Breakdown of infrastructure investments | 🔒 | n/a | | | | | | | ✓ |
| OO INF 02 | Breakdown of infrastructure assets by management | 🔒 | n/a | | | | | | | ✓ |
| OO INF 03 | Largest infrastructure sectors | 🔒 | n/a | | | | | | | ✓ |
| OO HF 01 | Breakdown of hedge funds investments by strategies | 🔒 | n/a | | | | | | | ✓ |
| OO End | Module confirmation page | ✓ | - | | | | | | | |

| CCStrategy and Governance | | | | Principle | | | | | | General |
|---------------------------|--|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| SG 01 | RI policy and coverage | ✓ | Public | | | | | | | ✓ |
| SG 01 CC | Climate risk | ✓ | Private | | | | | | | ✓ |
| SG 02 | Publicly available RI policy or guidance documents | ✓ | Public | | | | | | ✓ | |
| SG 03 | Conflicts of interest | ✓ | Public | | | | | | | ✓ |
| SG 04 | Identifying incidents occurring within portfolios | ✓ | Private | | | | | | | ✓ |
| SG 05 | RI goals and objectives | ✓ | Public | | | | | | | ✓ |
| SG 06 | Main goals/objectives this year | ✓ | Private | | | | | | | ✓ |
| SG 07 | RI roles and responsibilities | ✓ | Public | | | | | | | ✓ |
| SG 07 CC | Climate-issues roles and responsibilities | ✓ | Private | | | | | | | ✓ |
| SG 08 | RI in performance management, reward and/or personal development | ✓ | Private | | | | | | | ✓ |
| SG 09 | Collaborative organisations / initiatives | ✓ | Public | | | | ✓ | ✓ | | |
| SG 09.2 | Assets managed by PRI signatories | 🔒 | n/a | ✓ | | | | | | |
| SG 10 | Promoting RI independently | ✓ | Public | | | | ✓ | | | |
| SG 11 | Dialogue with public policy makers or standard setters | ✓ | Private | | | | ✓ | ✓ | ✓ | |
| SG 12 | Role of investment consultants/fiduciary managers | ✓ | Public | | | | ✓ | | | |
| SG 13 | ESG issues in strategic asset allocation | ✓ | Public | ✓ | | | | | | |
| SG 13 CC | | 🔒 | n/a | | | | | | | ✓ |
| SG 14 | Long term investment risks and opportunity | ✓ | Private | ✓ | | | | | | |
| SG 14 CC | | ✓ | Private | | | | | | | ✓ |
| SG 15 | Allocation of assets to environmental and social themed areas | ✓ | Private | ✓ | | | | | | |
| SG 16 | ESG issues for internally managed assets not reported in framework | 🔒 | n/a | | | | | | | ✓ |
| SG 17 | ESG issues for externally managed assets not reported in framework | 🔒 | n/a | | | | | | | ✓ |
| SG 18 | Innovative features of approach to RI | ✓ | Private | | | | | | | ✓ |
| SG 19 | Communication | ✓ | Public | | ✓ | | | | ✓ | |
| SG End | Module confirmation page | ✓ | - | | | | | | | |

| Direct - Fixed Income | | | | Principle | | | | | | General |
|-----------------------|---|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| FI 01 | Incorporation strategies applied | ✓ | Public | ✓ | | | | | | |
| FI 02 | ESG issues and issuer research | ✓ | Private | ✓ | | | | | | |
| FI 03 | Processes to ensure analysis is robust | ✓ | Public | ✓ | | | | | | |
| FI 04 | Types of screening applied | 🔒 | n/a | ✓ | | | | | | |
| FI 05 | Examples of ESG factors in screening process | 🔒 | n/a | ✓ | | | | | | |
| FI 06 | Screening - ensuring criteria are met | 🔒 | n/a | ✓ | | | | | | |
| FI 07 | Thematic investing - overview | 🔒 | n/a | ✓ | | | | | | |
| FI 08 | Thematic investing - themed bond processes | 🔒 | n/a | ✓ | | | | | | |
| FI 09 | Thematic investing - assessing impact | 🔒 | n/a | ✓ | | | | | | |
| FI 10 | Integration overview | ✓ | Public | ✓ | | | | | | |
| FI 11 | Integration - ESG information in investment processes | ✓ | Public | ✓ | | | | | | |
| FI 12 | Integration - E,S and G issues reviewed | ✓ | Public | ✓ | | | | | | |
| FI 13 | ESG incorporation in passive funds | 🔒 | n/a | ✓ | | | | | | |
| FI 14 | Engagement overview and coverage | ✓ | Private | | ✓ | | | | | |
| FI 15 | Engagement method | ✓ | Private | ✓ | ✓ | | | | | |
| FI 16 | Engagement policy disclosure | ✓ | Private | ✓ | ✓ | | | | | |
| FI 17 | Financial/ESG performance | ✓ | Private | | | | | | | ✓ |
| FI 18 | Examples - ESG incorporation or engagement | ✓ | Private | ✓ | ✓ | | | | | |
| FI End | Module confirmation page | ✓ | - | | | | | | | |

| Confidence building measures | | | | Principle | | | | | | General |
|------------------------------|------------------------------------|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| CM1 01 | Assurance, verification, or review | ✓ | Public | | | | | | | ✓ |
| CM1 02 | Assurance of last year`s PRI data | ✓ | Public | | | | | | | ✓ |
| CM1 03 | Other confidence building measures | ✓ | Public | | | | | | | ✓ |
| CM1 04 | Assurance of this year`s PRI data | ✓ | Public | | | | | | | ✓ |
| CM1 05 | External assurance | 🔒 | n/a | | | | | | | ✓ |
| CM1 06 | Assurance or internal audit | 🔒 | n/a | | | | | | | ✓ |
| CM1 07 | Internal verification | ✓ | Public | | | | | | | ✓ |
| CM1 01 End | Module confirmation page | ✓ | - | | | | | | | |

Merganser Capital Management, LLC

Reported Information

Public version

Organisational Overview

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Basic information

| | | | | |
|-------|-----------|--------|-----------------|---------|
| OO 01 | Mandatory | Public | Gateway/Peering | General |
|-------|-----------|--------|-----------------|---------|

OO 01.1 Select the services and funds you offer

| Select the services and funds you offer | % of asset under management (AUM) in ranges |
|--|---|
| Fund management | <input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50% |
| Fund of funds, manager of managers, sub-advised products | <input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50% |
| Other | <input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50% |
| Total 100% | |

Further options (may be selected in addition to the above)

- Hedge funds
- Fund of hedge funds

| | | | | |
|-------|-----------|--------|---------|---------|
| OO 02 | Mandatory | Public | Peering | General |
|-------|-----------|--------|---------|---------|

OO 02.1 Select the location of your organisation's headquarters.

United States

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

27

OO 03 **Mandatory** **Public** **Descriptive** **General**

OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 03.3 Additional information. [Optional]

N/A

OO 04 **Mandatory** **Public** **Gateway/Peering** **General**

OO 04.1 Indicate the year end date for your reporting year.

31/12/2019

OO 04.2 Indicate your total AUM at the end of your reporting year.

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

| | trillions | billions | millions | thousands | hundreds |
|---------------|-----------|----------|----------|-----------|----------|
| Total AUM | | 12 | 134 | 000 | 000 |
| Currency | USD | | | | |
| Assets in USD | | 12 | 134 | 000 | 000 |

Not applicable as we are in the fund-raising process

OO 04.4 Indicate the assets which are subject to an execution and/or advisory approach. Provide this figure based on the end of your reporting year

Not applicable as we do not have any assets under execution and/or advisory approach

| | | | | |
|-------|-----------|--------|-------------|---------|
| OO 06 | Mandatory | Public | Descriptive | General |
|-------|-----------|--------|-------------|---------|

OO 06.1 Select how you would like to disclose your asset class mix.

as percentage breakdown

| | Internally managed (%) | Externally managed (%) |
|----------------|------------------------|------------------------|
| Listed equity | 0 | 0 |
| Fixed income | 100 | 0 |
| Private equity | 0 | 0 |
| Property | 0 | 0 |
| Infrastructure | 0 | 0 |
| Commodities | 0 | 0 |
| Hedge funds | 0 | 0 |

| | | |
|--------------------------|---|---|
| Fund of hedge funds | 0 | 0 |
| Forestry | 0 | 0 |
| Farmland | 0 | 0 |
| Inclusive finance | 0 | 0 |
| Cash | 0 | 0 |
| Money market instruments | 0 | 0 |
| Other (1), specify | 0 | 0 |
| Other (2), specify | 0 | 0 |

as broad ranges

OO 06.2 Publish asset class mix as per attached image [Optional].

OO 06.3 Indicate whether your organisation has any off-balance sheet assets [Optional].

- Yes
- No

OO 06.5 Indicate whether your organisation uses fiduciary managers.

- Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.
- No, we do not use fiduciary managers.

OO 09 **Mandatory** **Public** **Peering** **General**

OO 09.1 Indicate the breakdown of your organisation's AUM by market.

Developed Markets

100

Emerging Markets

0

Frontier Markets

0



Asset class implementation gateway indicators

| OO 10 | Mandatory | Public | Gateway | General |
|-------|-----------|--------|---------|---------|
|-------|-----------|--------|---------|---------|

OO 10.1 Select the active ownership activities your organisation implemented in the reporting year.

Fixed income SSA – engagement

- We engage with SSA bond issuers on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with SSA bond issuers on ESG factors. Please explain why you do not.

Fixed income Corporate (financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (non-financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (securitised) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

| OO 11 | Mandatory | Public | Gateway | General |
|-------|-----------|--------|---------|---------|
|-------|-----------|--------|---------|---------|

OO 11.1 Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Fixed income - SSA

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - corporate (financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - corporate (non-financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - securitised

- We address ESG incorporation.
- We do not do ESG incorporation.

| | | | | |
|--------------|------------------|---------------|----------------|----------------|
| OO 12 | Mandatory | Public | Gateway | General |
|--------------|------------------|---------------|----------------|----------------|

OO 12.1 Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Fixed Income

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised

Closing module

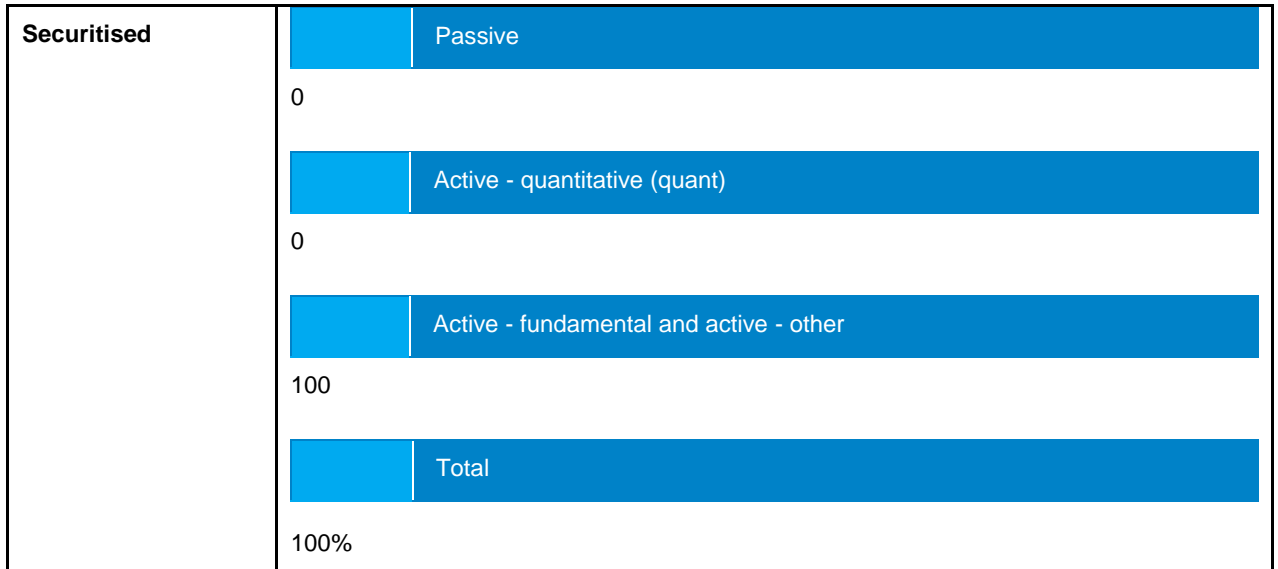
- Closing module

Peering questions

| | | | | |
|-----------------|--|---------------|----------------|----------------|
| OO FI 01 | Mandatory to Report Voluntary to Disclose | Public | Gateway | General |
|-----------------|--|---------------|----------------|----------------|

OO FI 01.1 Provide a breakdown of your internally managed fixed income securities by active and passive strategies

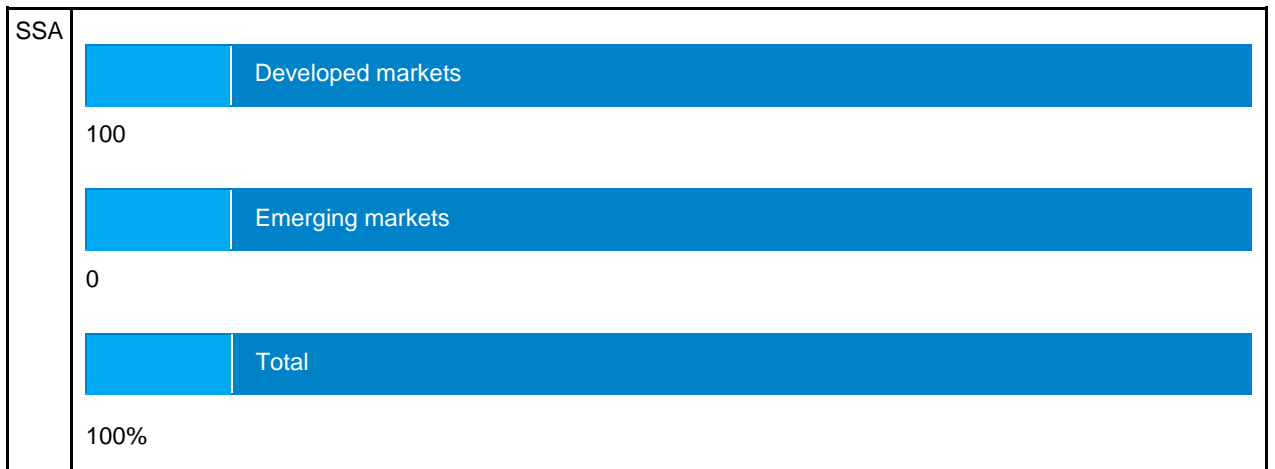
| | | | | | | | | | | | | | | | | | |
|----------------------------------|---|--|---------|---|--|--|-------------------------------|---|--|--|---|-----|--|--|-------|------|--|
| SSA | <table border="1"> <tbody> <tr> <td data-bbox="496 219 624 286"> </td> <td data-bbox="624 219 1479 286"> Passive </td> </tr> <tr> <td data-bbox="496 297 624 365"> 0 </td> <td data-bbox="496 297 1479 365"></td> </tr> <tr> <td data-bbox="496 376 624 443"> </td> <td data-bbox="624 376 1479 443"> Active - quantitative (quant) </td> </tr> <tr> <td data-bbox="496 454 624 521"> 0 </td> <td data-bbox="496 454 1479 521"></td> </tr> <tr> <td data-bbox="496 533 624 600"> </td> <td data-bbox="624 533 1479 600"> Active - fundamental and active - other </td> </tr> <tr> <td data-bbox="496 611 624 678"> 100 </td> <td data-bbox="496 611 1479 678"></td> </tr> <tr> <td data-bbox="496 689 624 757"> </td> <td data-bbox="624 689 1479 757"> Total </td> </tr> <tr> <td data-bbox="496 768 624 835"> 100% </td> <td data-bbox="496 768 1479 835"></td> </tr> </tbody> </table> | | Passive | 0 | | | Active - quantitative (quant) | 0 | | | Active - fundamental and active - other | 100 | | | Total | 100% | |
| | Passive | | | | | | | | | | | | | | | | |
| 0 | | | | | | | | | | | | | | | | | |
| | Active - quantitative (quant) | | | | | | | | | | | | | | | | |
| 0 | | | | | | | | | | | | | | | | | |
| | Active - fundamental and active - other | | | | | | | | | | | | | | | | |
| 100 | | | | | | | | | | | | | | | | | |
| | Total | | | | | | | | | | | | | | | | |
| 100% | | | | | | | | | | | | | | | | | |
| Corporate (financial) | <table border="1"> <tbody> <tr> <td data-bbox="496 810 624 878"> </td> <td data-bbox="624 810 1479 878"> Passive </td> </tr> <tr> <td data-bbox="496 889 624 956"> 0 </td> <td data-bbox="496 889 1479 956"></td> </tr> <tr> <td data-bbox="496 967 624 1034"> </td> <td data-bbox="624 967 1479 1034"> Active - quantitative (quant) </td> </tr> <tr> <td data-bbox="496 1046 624 1113"> 0 </td> <td data-bbox="496 1046 1479 1113"></td> </tr> <tr> <td data-bbox="496 1124 624 1191"> </td> <td data-bbox="624 1124 1479 1191"> Active - fundamental and active - other </td> </tr> <tr> <td data-bbox="496 1202 624 1270"> 100 </td> <td data-bbox="496 1202 1479 1270"></td> </tr> <tr> <td data-bbox="496 1281 624 1348"> </td> <td data-bbox="624 1281 1479 1348"> Total </td> </tr> <tr> <td data-bbox="496 1359 624 1426"> 100% </td> <td data-bbox="496 1359 1479 1426"></td> </tr> </tbody> </table> | | Passive | 0 | | | Active - quantitative (quant) | 0 | | | Active - fundamental and active - other | 100 | | | Total | 100% | |
| | Passive | | | | | | | | | | | | | | | | |
| 0 | | | | | | | | | | | | | | | | | |
| | Active - quantitative (quant) | | | | | | | | | | | | | | | | |
| 0 | | | | | | | | | | | | | | | | | |
| | Active - fundamental and active - other | | | | | | | | | | | | | | | | |
| 100 | | | | | | | | | | | | | | | | | |
| | Total | | | | | | | | | | | | | | | | |
| 100% | | | | | | | | | | | | | | | | | |
| Corporate (non-financial) | <table border="1"> <tbody> <tr> <td data-bbox="496 1402 624 1469"> </td> <td data-bbox="624 1402 1479 1469"> Passive </td> </tr> <tr> <td data-bbox="496 1480 624 1547"> 0 </td> <td data-bbox="496 1480 1479 1547"></td> </tr> <tr> <td data-bbox="496 1559 624 1626"> </td> <td data-bbox="624 1559 1479 1626"> Active - quantitative (quant) </td> </tr> <tr> <td data-bbox="496 1637 624 1704"> 0 </td> <td data-bbox="496 1637 1479 1704"></td> </tr> <tr> <td data-bbox="496 1715 624 1783"> </td> <td data-bbox="624 1715 1479 1783"> Active - fundamental and active - other </td> </tr> <tr> <td data-bbox="496 1794 624 1861"> 100 </td> <td data-bbox="496 1794 1479 1861"></td> </tr> <tr> <td data-bbox="496 1872 624 1939"> </td> <td data-bbox="624 1872 1479 1939"> Total </td> </tr> <tr> <td data-bbox="496 1951 624 2018"> 100% </td> <td data-bbox="496 1951 1479 2018"></td> </tr> </tbody> </table> | | Passive | 0 | | | Active - quantitative (quant) | 0 | | | Active - fundamental and active - other | 100 | | | Total | 100% | |
| | Passive | | | | | | | | | | | | | | | | |
| 0 | | | | | | | | | | | | | | | | | |
| | Active - quantitative (quant) | | | | | | | | | | | | | | | | |
| 0 | | | | | | | | | | | | | | | | | |
| | Active - fundamental and active - other | | | | | | | | | | | | | | | | |
| 100 | | | | | | | | | | | | | | | | | |
| | Total | | | | | | | | | | | | | | | | |
| 100% | | | | | | | | | | | | | | | | | |



| | | | | |
|-----------------|------------------|---------------|--------------------|----------------|
| OO FI 03 | Mandatory | Public | Descriptive | General |
|-----------------|------------------|---------------|--------------------|----------------|

Update: this indicator has changed from "Mandatory to report, voluntary to disclose" to "Mandatory". **Your response to this indicator will be published in the Public Transparency Report.** This change is to enable improved analysis and peering.

OO FI 03.1 Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.



If you are invested in private debt and reporting on ratings is not relevant for you, please indicate below

OO FI 03.2 is not applicable as our internally managed fixed income assets are invested only in private debt.

Merganser Capital Management, LLC

Reported Information

Public version

Strategy and Governance

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Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

| Policy components/types | Coverage by AUM |
|--|--|
| <input checked="" type="checkbox"/> Policy setting out your overall approach <input type="checkbox"/> Formalised guidelines on environmental factors <input type="checkbox"/> Formalised guidelines on social factors <input type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2) | <input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM |

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

At Merganser, we believe in the traditional role of fixed income and the importance of safeguarding principal. We recognize that fulfilling our fiduciary responsibility to clients and positively contribute to the investment management industry involves incorporating Environment, Social and Governance (ESG) issues into our investment risk assessment. This thinking is consistent across our investment styles and is not unique to certain products or segments of the market. As an active fixed income manager with expertise across corporate credit and securitized assets, incorporating ESG-related considerations into our underwriting process enables us to enhance portfolio returns and better protect against downside risk. Further, we believe that ESG considerations should not be viewed in a vacuum but as one set of factors to consider in the broader mosaic of an informed investment decision.

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Consistent with our overall investment approach, we assess ESG risk factors at a security level during the initial underwriting process. In certain instances, transition and physical climate-related risks will be critical in determining the level of compensation we demand when lending our clients capital. This is a case-by-case basis as certain ESG attributes will be more or less meaningful depending on the issuer profile and underlying business. Identifying and managing material climate-related risks in our client portfolios is accomplished through our fundamental ESG risk assessment which is described above in detail. We take a security by security approach in identifying whether climate factors will materially impact a bonds relative value and our ability to collect timely interest and principal. We view socially responsible investing as an important component of the ESG risk management framework. Many of our clients utilize our capabilities in applying value-based screens which eliminate companies or industries that do not align with the mission and core beliefs of the organization. We can also simply adhere to a restricted issuer list and work with our clients to regularly test portfolios to ensure compliance. Building customized separate accounts has long been a core competency of our firm and this is supported by a robust technology infrastructure.

No

SG 02

Mandatory

Public

Core Assessed

PRI 6

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1

Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

- Policy setting out your overall approach
- We do not publicly disclose our investment policy documents

SG 02.2

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- ESG incorporation approaches
- We do not publicly disclose any investment policy components

SG 03**Mandatory****Public****Core Assessed****General****SG 03.1**

Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

- Yes

SG 03.2

Describe your policy on managing potential conflicts of interest in the investment process.

Conflicts of Interest

Merganser shall not enter into or engage in a security transaction or business activity or relationship, which may result in any financial or other conflict of interest between themselves, clients or Merganser. Employees shall also disclose to Merganser all matters that could reasonably be expected to interfere with their duty to Merganser, or with their ability to render unbiased and objective advice. If a potential, perceived or real conflict is identified, the chief compliance officer shall the update the portfolio management and compliance system to prohibit such transactions.

- No

Objectives and strategies**SG 05****Mandatory****Public****Gateway/Core Assessed****General****SG 05.1**

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

Governance and human resources**SG 07****Mandatory****Public****Core Assessed****General****SG 07.1**

Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.

Roles

- Board members or trustees
- Internal Roles (triggers other options)

Select from the below internal roles

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
- Other role, specify (1)
- Other role, specify (2)
- External managers or service providers

SG 07.3 Indicate the number of dedicated responsible investment staff your organisation has.

Number

10

Promoting responsible investment

| | | | | |
|--------------|------------------|---------------|----------------------|----------------|
| SG 09 | Mandatory | Public | Core Assessed | PRI 4,5 |
|--------------|------------------|---------------|----------------------|----------------|

SG 09.1 Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

By becoming a signatory of the UN PRI, we have publicly committed to increasing our knowledge and understanding of ESG issues that impact the fixed income markets in which we invest, the broader economy, and the environment in which we live.

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AVCA: Sustainability Committee
- France Invest – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Climate Action 100+
- Code for Responsible Investment in SA (CRISA)
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- Invest Europe Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- HKVCA: ESG Committee
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Financial Action in the 21st Century
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

| | | | | |
|-------|-----------|--------|---------------|-------|
| SG 10 | Mandatory | Public | Core Assessed | PRI 4 |
|-------|-----------|--------|---------------|-------|

| | |
|---------|--|
| SG 10.1 | Indicate if your organisation promotes responsible investment, independently of collaborative initiatives. |
|---------|--|

- Yes
- No

Outsourcing to fiduciary managers and investment consultants

| | | | | |
|-------|-----------|--------|---------------|-------|
| SG 12 | Mandatory | Public | Core Assessed | PRI 4 |
|-------|-----------|--------|---------------|-------|

New selection options have been added to this indicator. Please review your prefilled responses carefully.

| | |
|---------|---|
| SG 12.1 | Indicate whether your organisation uses investment consultants. |
|---------|---|

- Yes, we use investment consultants
- No, we do not use investment consultants.

ESG issues in asset allocation

| | | | | |
|-------|-----------|--------|-------------|-------|
| SG 13 | Mandatory | Public | Descriptive | PRI 1 |
|-------|-----------|--------|-------------|-------|

| | |
|---------|--|
| SG 13.1 | Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.). |
|---------|--|

- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities
- No, our organisation does not currently carry out scenario analysis and/or modelling

Communication

| | | | | |
|-------|-----------|--------|---------------|----------|
| SG 19 | Mandatory | Public | Core Assessed | PRI 2, 6 |
|-------|-----------|--------|---------------|----------|

| | |
|---------|---|
| SG 19.1 | Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information. |
|---------|---|

Fixed income

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

| | |
|--|--|
| | Disclosure to clients/beneficiaries |
| | <p>Disclosure to clients/beneficiaries</p> <ul style="list-style-type: none"><input type="radio"/> Broad approach to RI incorporation<input checked="" type="radio"/> Detailed explanation of RI incorporation strategy used |
| | <p>Frequency</p> <ul style="list-style-type: none"><input type="checkbox"/> Quarterly<input type="checkbox"/> Biannually<input type="checkbox"/> Annually<input type="checkbox"/> Less frequently than annually<input checked="" type="checkbox"/> Ad hoc/when requested |

Merganser Capital Management, LLC

Reported Information

Public version

Direct - Fixed Income

PRI disclaimer

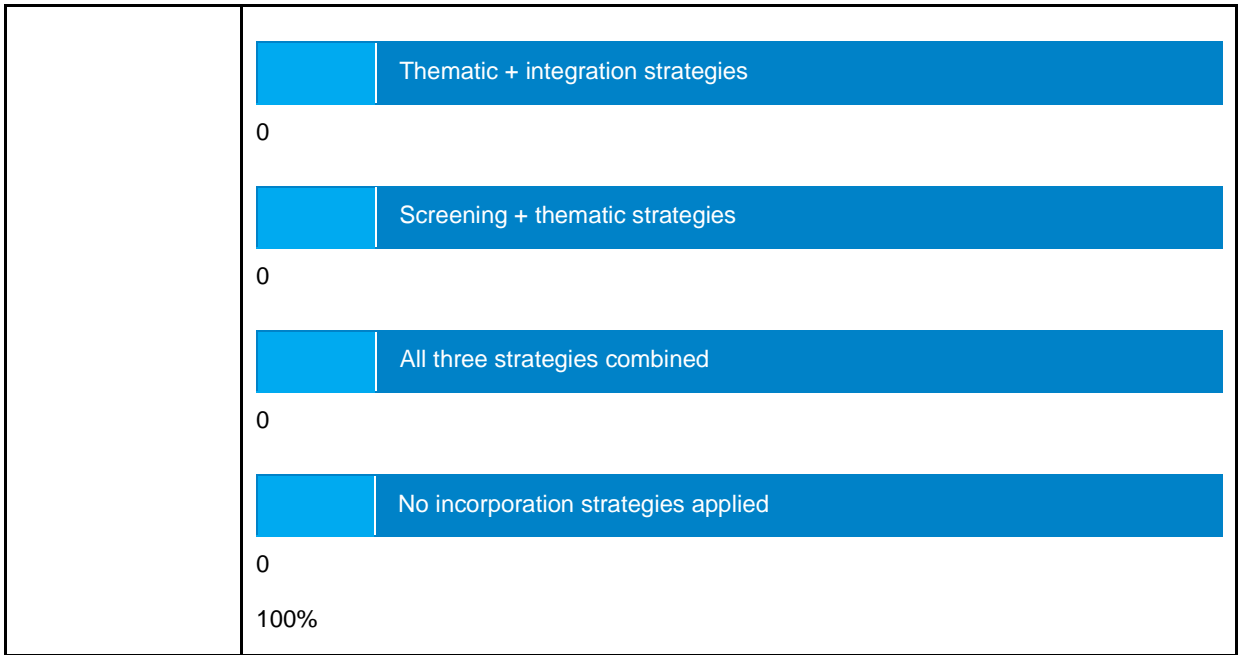
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ESG incorporation in actively managed fixed income

Implementation processes

| FI 01 | Mandatory | Public | Gateway | PRI 1 |
|---------|---|--------|---------|-------|
| FI 01.1 | Indicate (1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and (2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to. | | | |

| SSA | <table border="1"> <thead> <tr> <th>Strategy</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Screening alone</td> <td>0</td> </tr> <tr> <td>Thematic alone</td> <td>0</td> </tr> <tr> <td>Integration alone</td> <td>100</td> </tr> <tr> <td>Screening + integration strategies</td> <td>0</td> </tr> <tr> <td>Thematic + integration strategies</td> <td>0</td> </tr> <tr> <td>Screening + thematic strategies</td> <td>0</td> </tr> <tr> <td>All three strategies combined</td> <td>0</td> </tr> <tr> <td>No incorporation strategies applied</td> <td>0</td> </tr> <tr> <td>Total (any strategy)</td> <td>100%</td> </tr> </tbody> </table> | Strategy | Percentage | Screening alone | 0 | Thematic alone | 0 | Integration alone | 100 | Screening + integration strategies | 0 | Thematic + integration strategies | 0 | Screening + thematic strategies | 0 | All three strategies combined | 0 | No incorporation strategies applied | 0 | Total (any strategy) | 100% |
|-------------------------------------|---|----------|------------|-----------------|---|----------------|---|-------------------|-----|------------------------------------|---|-----------------------------------|---|---------------------------------|---|-------------------------------|---|-------------------------------------|---|-----------------------------|-------------|
| Strategy | Percentage | | | | | | | | | | | | | | | | | | | | |
| Screening alone | 0 | | | | | | | | | | | | | | | | | | | | |
| Thematic alone | 0 | | | | | | | | | | | | | | | | | | | | |
| Integration alone | 100 | | | | | | | | | | | | | | | | | | | | |
| Screening + integration strategies | 0 | | | | | | | | | | | | | | | | | | | | |
| Thematic + integration strategies | 0 | | | | | | | | | | | | | | | | | | | | |
| Screening + thematic strategies | 0 | | | | | | | | | | | | | | | | | | | | |
| All three strategies combined | 0 | | | | | | | | | | | | | | | | | | | | |
| No incorporation strategies applied | 0 | | | | | | | | | | | | | | | | | | | | |
| Total (any strategy) | 100% | | | | | | | | | | | | | | | | | | | | |
| Corporate (financial) | <table border="1"> <thead> <tr> <th>Strategy</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Screening alone</td> <td>0</td> </tr> <tr> <td>Thematic alone</td> <td>0</td> </tr> <tr> <td>Integration alone</td> <td>100</td> </tr> <tr> <td>Screening + integration strategies</td> <td>0</td> </tr> </tbody> </table> | Strategy | Percentage | Screening alone | 0 | Thematic alone | 0 | Integration alone | 100 | Screening + integration strategies | 0 | | | | | | | | | | |
| Strategy | Percentage | | | | | | | | | | | | | | | | | | | | |
| Screening alone | 0 | | | | | | | | | | | | | | | | | | | | |
| Thematic alone | 0 | | | | | | | | | | | | | | | | | | | | |
| Integration alone | 100 | | | | | | | | | | | | | | | | | | | | |
| Screening + integration strategies | 0 | | | | | | | | | | | | | | | | | | | | |



| | | |
|---------------------------|-------------------------------------|-----------|
| Corporate (non-financial) | Screening alone | 0 |
| | Thematic alone | 0 |
| | Integration alone | 100 |
| | Screening + integration strategies | 0 |
| | Thematic + integration strategies | 0 |
| | Screening + thematic strategies | 0 |
| | All three strategies combined | 0 |
| | No incorporation strategies applied | 0 100% |
| Securitized | Screening alone | 0 |
| | Thematic alone | 0 |
| | Integration alone | 100 |
| | Screening + integration strategies | 0 |

| | | |
|--|-------------------------------------|------|
| | Thematic + integration strategies | 0 |
| | Screening + thematic strategies | 0 |
| | All three strategies combined | 0 |
| | No incorporation strategies applied | 0 |
| | | 100% |

FI 01.2 Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

As stated in previous sections, Merganser has chosen to fully integrate ESG factors into our investment decision-making process. Specific securities are not systematically excluded from portfolios based on ESG factors unless dictated by client guidelines. The rationale is supported by our belief that as fiduciaries we are tasked with understanding and evaluating the full spectrum of risks and circumstances that could impact the long term value of our fixed income investments. Further, we believe that ESG considerations should not be viewed in a vacuum but as one set of factors to consider in the broader mosaic of an informed investment decision.

| | | | | |
|--------------|------------------|---------------|----------------------------|--------------|
| FI 03 | Mandatory | Public | Additional Assessed | PRI 1 |
|--------------|------------------|---------------|----------------------------|--------------|

FI 03.1 Indicate how you ensure that your ESG research process is robust:

- Comprehensive ESG research is undertaken internally to determine companies' activities; and products and/or services
- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- Internal audits and regular reviews of ESG research are undertaken in a systematic way.
- A materiality/sustainability framework is created and regularly updated that includes all the key ESG risks and opportunities for each sector/country.
- Other, specify
- None of the above

| | |
|----------------|---|
| FI 03.2 | Describe how your ESG information or analysis is shared among your investment team. |
|----------------|---|

- ESG information is held within a centralised database and is accessible to all investment staff
- ESG information is displayed on front office research platforms
- ESG information is a standard item on all individual issuer summaries, research notes, ‘tear sheets’, or similar documents
- Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- Records capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

(C) Implementation: Integration

| | | | | |
|--------------|------------------|---------------|--------------------|--------------|
| FI 10 | Mandatory | Public | Descriptive | PRI 1 |
|--------------|------------------|---------------|--------------------|--------------|

| | |
|----------------|--|
| FI 10.1 | Describe your approach to integrating ESG into traditional financial analysis. |
|----------------|--|

In an effort to understand the full set of material ESG risks that could impact our holdings, we emphasize sector specific ESG considerations which inform how much compensation we demand as a lender.

| | |
|----------------|---|
| FI 10.2 | Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in. |
|----------------|---|

| | |
|--|-----|
| | SSA |
|--|-----|

An examination of the past and current political backdrop is the number one criteria we consider when assessing ESG materiality. Underlying this is a number of other factors such as international relations, labour standards and energy resource management. In general, we feel that social factors and governance tend to be more relevant to this sector of the fixed income market due to the need for political stability and a consistent tax base.

| | |
|--|-----------------------|
| | Corporate (financial) |
|--|-----------------------|

Financial issuers make up a large portion of the investible universe within investment grade fixed income. To assess the full spectrum of risks relating to money center banks and other financial institutions, we consider each of the following in our underwriting:

- Balance sheet management
- Risk management and overall regulatory
- Reporting practices and the degree of disclosure/transparency
- Product responsibility, customer relations and employee relations
- Loan mix and concentration to certain demographics

Corporate (non-financial)

Within non-financial corporate credit, we tend to place more emphasis on potential event risk which can arise from regulatory or litigation against a public company. Additionally, governance is weighted more heavily in the risk assessment of corporate borrowers given the heightened risks associated with incentive structures, Transparency and audit practices.

Securitized

For securitized issuers, we focus our lens on origination practices, servicing capabilities and potential ESG risks associated with the underlying collateral value (i.e. automobiles).

| | | | | |
|---------|--|--------|---------------|-------|
| FI 11 | Mandatory | Public | Core Assessed | PRI 1 |
| FI 11.1 | Indicate how ESG information is typically used as part of your investment process. | | | |

Select all that apply

| | SSA | Corporate (financial) | Corporate (non-financial) | Securitised |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| ESG analysis is integrated into fundamental analysis | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| ESG analysis is used to adjust the internal credit assessments of issuers. | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| ESG analysis is used to adjust forecasted financials and future cash flow estimates. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| ESG analysis impacts the ranking of an issuer relative to a chosen peer group. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| An issuer's ESG bond spreads and its relative value versus its sector peers are analysed to find out if all risks are priced in. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| The impact of ESG analysis on bonds of an issuer with different durations/maturities are analysed. | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Sensitivity analysis and scenario analysis are applied to valuation models to compare the difference between base-case and ESG-integrated security valuation. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| ESG analysis is integrated into portfolio weighting decisions. | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Companies, sectors, countries and currency and monitored for changes in ESG exposure and for breaches of risk limits. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| The ESG profile of portfolios is examined for securities with high ESG risks and assessed relative to the ESG profile of a benchmark. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Other, specify in Additional Information | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

| | | | | |
|-------|-----------|--------|---------------------|-------|
| FI 12 | Mandatory | Public | Additional Assessed | PRI 1 |
|-------|-----------|--------|---------------------|-------|

| | |
|---------|---|
| FI 12.1 | Indicate the extent to which ESG issues are reviewed in your integration process. |
|---------|---|

| | Environment | Social | Governance |
|---------------------------|--|---|---|
| SSA | <input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all | <input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all | <input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all |
| Corporate (financial) | <input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all | <input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all | <input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all |
| Corporate (non-financial) | <input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all | <input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all | <input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all |
| Securitized | <input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all | <input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all | <input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all |

FI 12.2 Please provide more detail on how you review E, S and/or G factors in your integration process.

SSA

At Merganser, we have decided not to assign risk weightings or rankings based on ESG criteria, so there is no automated alert system or programmatic feedback loop. Based on our review of third-party research services and rating agency reports, we find that much of the analysis is subjective and based on unaudited company information which is difficult to apply across geographies and different legal jurisdictions. Instead, we empower the sector specialist who initially recommended the security to continually assess and challenge which ESG factors they feel are most likely to impact the long-term value of the investment. This thought process is integrated across the different sectors in which we invest.

Corporate (financial)

At Merganser, we have decided not to assign risk weightings or rankings based on ESG criteria, so there is no automated alert system or programmatic feedback loop. Based on our review of third-party research services and rating agency reports, we find that much of the analysis is subjective and based on unaudited company information which is difficult to apply across geographies and different legal jurisdictions. Instead, we empower the sector specialist who initially recommended the security to continually assess and challenge which ESG factors they feel are most likely to impact the long-term value of the investment. This thought process is integrated across the different sectors in which we invest.

Corporate (non-financial)

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Securitized

Merganser has found that governance factors can present a meaningful risk as it relates to credit underwriting for asset backed securities. We have not developed a formal scoring system for ESG categories as it relates to subsectors and issuers in the asset backed market, however, we do integrate qualitative judgements in our decision-making process. This is because there is no clear framework to apply across asset classes and approaches we've studied tend to be highly subjective and not particularly useful. Furthermore, the lack standardization of reporting by issuers, sponsors and servicers make development of a quantitative framework difficult. The net result of this is our integration of a qualitative approach to ESG in evaluating opportunities and assessing risks in the asset backed sector which are generally applied at the issuer/sponsor/servicer and trustee levels. The key metrics in evaluating the securitization begins with a review of loan origination and servicing practices which directly factors into governance practices. The structure of the securitization also plays a key role in the evaluation process to ensure proper alignment of interests. We avoid those securitizations where inadequate governance creates unquantifiable risks or where assets have been originated and serviced in a predatory manner. To a lesser degree, we have also found that environmental factors can present idiosyncratic risk to asset backed securitizations, particularly within the auto and equipment subsectors, and we remain mindful of this during the underwriting and ongoing monitoring of our holdings.

We believe that a well governed company with a diverse, ethical, and an experienced leadership team in place is arguably the most important aspect to consider. With such a management team in place, a company will be able to effectively run their business while evolving to societies changing standards around environmental and social impacts of their business. We would support the standardization of data reporting but will continue with our bottom-up approach to risk management and incorporate ESG factors where appropriate.

Multi-borrower conduit transactions have historically (and continue to) face criticism over Governance issues. We favor conduit transactions with a "vertical" risk retention on the hypothesis that originators who retain risk for the life of a transaction should have better performance over time; but acknowledge it is too early to know if this holds true (risk retention began in 2017). Environmental data on "conduit" transactions is limited. Known contamination issues should be disclosed in the prospectus; and may be discussed in greater detail for the largest loans. The presence of LEED certifications may be disclosed in commentary that is provided on only the largest assets. Single Asset/Single borrower transactions on the other hand offer greater transparency and therefore offer relatively stronger Governance; often with 100% LEED certifications. Another sub-sector with relatively strong Governance is the Agency CMBS market. Fannie Mae's "DUS" (Delegated Underwriting and Servicing) program, founded in 1987, was the original risk-retention model and has experienced very modest losses over time. This sub-sector offers consistent underwriting, with a strong social purpose in facilitating the ownership of affordable housing. Further, Agency CMBS pools often contain large "Green" loan components, where the borrower has committed to quantifiable energy/water/waste utilization improvement targets which are monitored by Freddie/Fannie. Loans originated under various "green" programs are disclosed in the annex/data tape. On a Social issue, Freddie Mac discloses in multi-borrower transactions the number of units that are deemed affordable to "low income" and "very low income" tenants. Fannie Mae makes this data available on individual DUS loans, but the data does not flow through to the annex/data tape on multi-borrower transactions (e.g. GEMS/MEGA issuance).

However, the worthy social goal of providing affordable housing has led to unintended consequences and generated losses for investors. King County, WA (Seattle metro area) has recently been utilizing eminent domain to acquire multifamily properties to preserve affordable housing; which has resulted in early prepayments without penalty. This is achieved by utilizing the condemnation process to exercise eminent domain thereby avoiding paying a penalty. This may have the unintended consequence of limiting capital for affordable housing in an area that is underserved, highlighting these issues are not black and white, but rather grey.

For all CMBS deal types we consider unique location attributes (i.e. floodplain or earthquake zone). We recognize that over time increased costs (all else equal) from environmental risks should reduce the value of real estate and increase risk of loss to lenders. We also believe that as increasing numbers of investors begin to focus on and better understand these risks, improved risk-based pricing may make refinancing (and/or

selling) more difficult for certain assets. We are hyper-sensitive to idiosyncratic geographic concentration risks in areas that have seen significant natural disasters. Concentrations in California, Houston, or Gulf Coast areas will warrant closer scrutiny and lead us to require higher levels of compensation.

Merganser Capital Management, LLC

Reported Information

Public version

Confidence building measures

PRI disclaimer

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Confidence building measures

| | | | | |
|--------|-----------|--------|---------------------|---------|
| CM1 01 | Mandatory | Public | Additional Assessed | General |
|--------|-----------|--------|---------------------|---------|

CM1 01.1 Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

- Third party assurance over selected responses from this year's PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
- Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
 - Whole PRI Transparency Report has been internally verified
 - Selected data has been internally verified
- Other, specify
- None of the above

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|--------|-----------|--------|-------------|---------|
| CM1 02 | Mandatory | Public | Descriptive | General |
|--------|-----------|--------|-------------|---------|

CM1 02.1 We undertook third party assurance on last year's PRI Transparency Report

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report
- None of the above, we were in our preparation year and did not report last year.

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|--------|-----------|--------|-------------|---------|
| CM1 03 | Mandatory | Public | Descriptive | General |
|--------|-----------|--------|-------------|---------|

CM1 03.1 We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ESG audit of holdings
- Other, specify
- None of the above

| | | | | |
|--------|-----------|--------|-------------|---------|
| CM1 04 | Mandatory | Public | Descriptive | General |
|--------|-----------|--------|-------------|---------|

CM1 04.1

Do you plan to conduct third party assurance of this year's PRI Transparency report?

- Whole PRI Transparency Report will be assured
- Selected data will be assured
- We do not plan to assure this year's PRI Transparency report

CM1 07**Mandatory****Public****Descriptive****General****CM1 07.1**

Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

Who has conducted the verification

- CEO or other Chief-Level staff
- The Board
- Investment Committee
- Compliance Function
- RI/ESG Team

What data has been verified

- Policies
- Overarching strategy and processes
- Asset class specific processes
- Quantitative data related to RI processes
- Other

Relevant modules

- Organisational Overview
- Strategy and Governance
- Direct - Fixed Income
- Investment Teams
- Legal Department
- Other (specify)